2011-12

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မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၄၃၄/၂၀၁၂ ၂၀၁၂ ခုနှစ်၊ မတ်လ ၂၃ ရက်

ပြည်ထောင်စု သမ္မတမြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည်-

(က) ကမကထပြုသူ၏အမည် ညွှန်ကြားရေးမှူးချုပ်၊ စွမ်းအင်စီမံရေးဦးစီးဌာန

(ခ) မည်သည့် နိုင်ငံသား မြန်မာ

(ဂ) နေရပ်လိပ်စာ ရုံးအမှတ် (၆)၊ နေပြည်တော်

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ စွမ်းအင်ဝန်ကြီးဌာန၊ ရုံးအမှတ် (၆)၊ နေပြည်တော်

(င) ဖွဲ့စည်းရာအရပ် ရုံးအမှတ် (၆)၊ နေပြည်တော်

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ရေနံနှင့် သဘာဝဓါတ်ငွေ့ ရှာဖွေ၊ တူးဖော်၊ ထုတ်လုပ်ရေးလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) ကုန်းတွင်းပိုင်းဒေသ၊ လုပ်ကွက်အမှတ် (PSC I) ဟသ်ာတဒေသ၊ ဧရာဝတီတိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၇၃ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ၂၀၁၂ ခုနှစ်မှ ၂၀၁၈ ခုနှစ် အထိ

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၇၃ သန်းနှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၆ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် JUBILANT OIL & GAS PRIVATE LTD. & PARAMI ENERGY DEVELOPMENT CO., LTD.

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

Form (2)

Republic of the Union of Myanmar ★ Myanmar Investment Commission ★
Sr. No. 4060
Dated 23.3.2012

The Myanmar Investment Commission

PERMIT

Permit No. 474/2012 Date 23rd MARCH 2012

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter DIRECTOR GENERAL, ENERGY PLANNING DEPARTMENT

(b) Citizenship MYANMAR

(c) Address BUILDING NO. 6, NAY PYI TAW

(d) Name and Address of principal organization MINISTRY OF ENERGY, BUILDING NO. 6, NAY PYI TAW

(e) Place of incorporation BUILDING NO. 6, NAY PYI TAW

(f) Type of business in which investment is to be made EXPLORATION & PRODUCTION OF CRUDE OIL AND NATURAL GAS

(g) Place(s) at which investment is permitted ONSHORE BLOCK (PSC I) HINTHADA AREA, AYEYARWADDY REGION

(h) Amount of foreign capital US$ 73 MILLION

(i) Period for bringing in foreign capital 2012 TO 2018

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 73 MILLION

(k) Permitted duration of investment 6 YEARS

(l) Name of the economic organization to be formed in Myanmar JUBILANT OIL & GAS PRIVATE LTD. & PARAMI ENERGY DEVELOPMENT CO., LTD.

Chairman

The Myanmar Investment Commission

REPUBLIC OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Our ref : Ya Ka-1/Na- 656 /2012(4060)
Dated : 23rd March 2012.

Tel : 067- 406334,406075
Fax : 95-67-406333

Subject; Decision of the Myanmar Investment Commission on the Proposal for "Exploration and Production of Crude Oil & Natural Gas for onshore Block PSC I in Hinthada Area, Ayeyarwaddy Region" under the name of "Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd."

Reference: Ministry of Energy, Letter No. 008/857/Hta (114/2012) dated (6.2.2012).

1. The Myanmar Investment Commission, at its meeting (6 /2012) held on (22- 2 -2012) had reviewed the proposal for investment in "Exploration and Production of Crude Oil & Natural Gas for onshore Block PSC I in Hinthada Area, Ayeyarwaddy Region" under the name of "Jubilant Oil & Gas Private Ltd. of India and Parami Energy Development Co., Ltd." pursuant to the Production Sharing Contract to be signed between Myanma Oil and Gas Enterprise and Jubilant Oil & Gas Private Ltd. of India and Parami Energy Development Co., Ltd. (Republic of the Union of Myanmar). After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet of the Union Government for final approval.

2. The Cabinet of the Union Government, at its meeting (9/2012) held on (1- 3-2012), resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. Subject to the provisions of the Memorandum of Understanding, dated 31st October 2011, the participating interests of the parties in respect of the Production Sharing Contract shall be as follows:

Jubilant Oil & Gas Private Ltd.	77.5 %
Parami Energy Development Co., Ltd.	22.5 %

4. The permitted duration of the project shall be 20 (Twenty) years, three (3) consecutive years for initial exploration period and additional three (3) consecutive years, two (2) years as the first extension period and another one (1) year as the second extension period.

5. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall pay royalty to the Government equal to 12.5% percent of the value of Available Petroleum from the Contract Area.

6. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall pay to Myanma Oil & Gas Enterprise to the amount of US $ 2,000,000 (United States Dollar Two Million Only) as Signature Bonus within 30 (Thirty) days after the date of signing of the contract.

7. Production Split between Myanma Oil and Gas Enterprise and Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall be allocated for Development and Production Area as follows:-

Crude Oil

	Production Rate in Barrels per day	
BOPD	MOGE(%)	CONTRACTOR(%)
0 - 10,000	60	40
10,001- 20,000	65	35
20,001- 50,000	72	28
50,001- 100,000	84	16
100,000-150,000	88	12
Above 150,000	92	8

Natural Gas

	Production Rate in Million Cubic Feet per day	
MMCFD	MOGE(%)	CONTRACTOR(%)
UP to 60	60	40
61 - 120	65	35
121 - 300	70	30
301 - 600	84	16
601 - 900	88	12
Above 900	92	8

8. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall pay Production Bonus to Myanma Oil and Gas Enterprise with respect to each Crude Oil and Natural Gas development and production area as follows:

Production Bonus
Crude Oil

At BOPD	US $(MILLION)
Upon approval of Development Plan	0.60
10,000(for 90 consecutive days production)	1.80

20,000(for 90 consecutive days production)	3.00
50,000(for 90 consecutive days production)	5.00
100,000(for 90 consecutive days production)	6.00
150,000(for 90 consecutive days production)	8.00

Natural Gas

At MMCFD	US $(MILLION)
Upon approval of Development Plan	0.60
60(for 90 consecutive days period)	1.80
120(for 90 consecutive days period)	3.00
300(for 90 consecutive days period)	5.00
600(for 90 consecutive days period)	6.00
900(for 90 consecutive days period)	8.00

9. After the commencement of commercial production of Crude Oil, shall fulfil as its obligation 20%(Twenty) percent of Crude Oil and 25% (Twenty Five) percent of Natural Gas toward the supply of the domestic Crude Oil and Natural Gas market in Myanmar. Myanma Oil and Gas Enterprise shall pay the price equivalent of 90%(Ninety) percent of the Fair Market Price.

10. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall provide Training Fund to the amount of US $ 50,000 (United States Dollar Fifty Thousand Only) per contract year for Exploration Period and US $ 75,000 (United States Dollar Seventy Five Thousand Only) per contract year for Development and Production Period shall also provide Research and Development Fund to the amount of 0.5% (Zero Point Five) percent of its share of profit Petroleum in favour of Myanma Oil and Gas Enterprise.

11. Myanma Oil and Gas Enterprise shall have the right to demand from Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. that a up to 15% (Fifteen) percent after commercial discovery and up to 25% (Twenty Five) percent undivided interest.

12. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. is liable to pay the Government the following tranches out of the net profit made on the sale or transfer of the shares in the Company.

(a)	If the amount of Net Profit is up to and including US$ 100 million (United States Dollars One Hundred Million Only)	40%
(b)	If the amount of Net Profit is between US$ 100 million and US$ 150 million (United States Dollar One Hundred Million Only and United States Dollar One Hundred and Fifty Million Only)	45%
(c)	If the amount of Net Profit is over US$ 150 million (United States Dollar One Hundred and Fifty Million Only)	50%

13. In issuing this "Permit," the Commission has granted the following exemptions and reliefs:

(a) As per section-21(a), exemption from income tax up to 36 (Thirty Six) consecutive months starting from the month of commencement of commercial operation.

(b) As per section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall apply for such exemption only after the 36 (Thirty Six) consecutive months tax holiday period.

(c) As per section-21(c), Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall be granted to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall have to apply to the Commission such rates of depreciation.

(d) As per section-21(d), Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall have the relief from income tax up to 50 percent on the profits accrued from exports.

(e) As per section-21(e), Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the Company and the right to deduct such payment from the assessable income.

(f) As per section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), regarding the right to deduct from the assessable income such expense incurred in respect of research and development relating to the Company which are actually required and are carried out within the State, Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall apply, upon actual performance of such research and development programme, only after 36 (Thirty Six) consecutive months tax holiday period.

(h) As per section-21(h), regarding the right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall file the case, if any, to the Ministry of Finance and Revenue with regard to Article-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i),exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which they are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional imports of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Energy.

14. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall have to sign the Production Sharing Contract with Myanma Oil and Gas Enterprise. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

15. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

16. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

17. The commercial date of operation shall be reported to the Commission.

18. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall endeavour to meet the targets for Exploration and Production of Crude Oil & Natural Gas stated in the proposal as the minimum target.

19. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

20. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section - 2(h) of the said Law, other than foreign currency.

21. Whenever brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 21(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

22. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)].

23. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice- versa as per para 20 of the Notification No. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

24. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

25. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No.Ya Ka-1/ 139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

26. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd.

27. Jubilant Oil & Gas Private Ltd. & Parami Energy Development Co., Ltd. in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

(Soe Thane)
Chairman

Director General
Energy Planning Department

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Ministry of National Planning and Economic Development
3. Ministry of Finance and Revenue
4. Ministry of Commerce
5. Ministry of Energy

Jubilant PSC I (Decision).doc

6. Ministry of Foreign Affairs
7. Ministry of Home Affairs
8. Ministry of Immigration and Population
9. Ministry of Labour
10. Ministry of Electric Power (2)
11. Director General, Directorate of Investment and Company Administration
12. Director General, Customs Department
13. Director General, Internal Revenue Department
14. Managing Director, Myanma Oil and Gas Enterprise
15. Managing Director, Myanma Foreign Trade Bank
16. Managing Director, Myanma Investment and Commercial Bank
17. Managing Director, Myanma Insurance
18. Managing Director, Myanma Electric Power Enterprise
19. Director General, Directorate of Trade
20. Director General, Immigration and National Registration Department
21. Director General, Directorate of Labour
22. Chairman, the Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(RUMFCCI)